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Economic Crisis, Natural Disasters Reduce Mexico's Agriculture Production

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According to a report released by the Agriculture Secretariat (Secretaria de Agricultura, Ganaderia y Desarrollo Rural, SAGDR) in late December, Mexico experienced a severe decline in agricultural, livestock, and forestry production during the 1994-1995 crop year as a result of the country's economic crisis and a series of natural disasters. The SAGDR report said that in 1994-1995 the production of basic food crops such as rice, beans, corn, and wheat declined by 32% from the previous year. Similarly, production was down by 81% from last year in the livestock and poultry sector and by 67% in the forestry and lumber sector.

Among other things, the report said Mexico's economic crisis reduced the availability of credit, and increased the cost of inputs such as fertilizers and herbicides. The report noted that the amount of credit available for agricultural producers during the year declined by about 47% from 1994. In addition to the economic crisis, many agricultural producers and ranchers were affected by such disasters as a prolonged drought in northern states, and three hurricanes in the Pacific and southeastern states (see SourceMex, 06/14/95 and 10/25/95).

The SAGDR report said production of basic grains and oilseeds during the 1994-1995 fall-winter cycle declined by about 1.9 million metric tons from the same period the year before. During that cycle, corn output totaled 3.7 million MT and wheat production reached 3 million MT, compared with 4.9 million MT and 3.7 million MT, respectively, the year before. On the other hand, production of oilseeds during the fall-winter cycle totaled 137,000 MT, an increase of 57,000 MT from 1993-1994. The impact of Mexico's economic crisis was expected to be apparent again in the results for the spring-summer cycle, when plantings declined sharply. According to statistics released by the national agricultural and livestock council (Consejo Nacional Agropecuario, CNA), total plantings of basic crops during the spring-summer cycle declined by about 2 million hectares from the same period the year before.

The CNA said corn plantings during the cycle declined by 1.3 million ha., especially in the states of Guanajuato, Oaxaca, and Jalisco. Similarly, bean plantings fell by 500,000 ha., with the greatest declines reported in Zacatecas and San Luis Potosi states. The area planted in soybean declined by 150,000 ha. from last year, especially in the drought-hit states of Chihuahua, Sinaloa, and Sonora. For the livestock and poultry sector, the SAGDR report said that meat production declined from 3.4 million MT to 2.7 million MT, and milk production fell from 7.4 million liters to 5.7 million liters.

The SAGDR also reported substantial drops in the production of other products, such as eggs and honey. Meantime, livestock industry analysts said drought in northern Mexico resulted in the death of 700,000 head of cattle during 1994-1995. The greatest losses were reported in Chihuahua, Coahuila, Sonora, and Tamaulipas states. The northern region's drought-related problems are expected to continue into the coming year. According to the SAGDR, production of basic crops

and livestock is expected to remain depressed in 1995-1996, since continued drought has severely reduced water supplies in area reservoirs. (Sources: Agence France-Presse, Diario de Yucatan, Inter Press Service, La Jornada, 12/26/95; Reforma, 01/08/96)

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